

Report on the

Electronic Security Board of Licensure

Montgomery, Alabama



Department of Examiners of Public Accounts

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July 27, 2005

Senator Larry Dixon
Chairman, Sunset Committee
Alabama State House
Montgomery, AL 36130

Dear Senator Dixon:

This report was prepared to provide information for use by the Sunset Committee in conducting its review and evaluation of the operations of the **Electronic Security Board of Licensure** in accordance with the *Code of Alabama 1975*, Section 41-20-9.

The report contains unaudited information obtained from the management, staff, and records of the **Electronic Security Board of Licensure**, in addition to information obtained from other sources.

Please contact me if you have any questions concerning this report.

Sincerely,

A handwritten signature in black ink, appearing to read "Ronald L. Jones", written in a cursive style.

Ronald L. Jones
Chief Examiner

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PROFILE

Purpose/Authority

Act 97-711, *Acts of Alabama*, created the Electronic Security Board of Licensure. The board's practice act is found in the *Code of Alabama 1975*, Title 34, Chapter 1A. The board regulates the installing, monitoring and servicing of electronic burglar alarm systems by licensing qualified alarm system retailers and installers, both individuals and businesses, and by registering each business's qualified employees. Licensing is not required for:

- Counties having a population of less than 30,000 inhabitants;
- Licensed consulting engineers;
- Licensed general contractors;
- Licensed homebuilders;
- Licensed electrical contractors or master electricians.

Board Characteristics

Members	5
Term	4-year staggered terms with no board member serving more than two consecutive terms
Selection	Appointed by the Governor from a list of three nominees
Qualifications	<ul style="list-style-type: none">◆ One representative of the Alabama Alarm Association◆ One representative of the Alabama Consulting Engineers Association◆ One representative of the Alabama Sheriff's Association◆ One representative of alarm system manufacturers◆ One representative of the consumers of the state
Racial Representation	No statutory requirement One minority member
Geographical Representation	No statutory requirement
Consumer Representation	One consumer member required by law One consumer member

Other Representation The membership on the board shall be inclusive and reflect the racial, gender, geographic, urban/rural, and economic diversity of the state.

Compensation Members receive no compensation, but are reimbursed for travel expenses in the same manner as state employees.

Operations

Administrator Fred Crawford, Executive Director
Services included in contract with Crawford & Crawford, Inc. - Annual Contract - \$186,000

Location 803 Adams Avenue
Montgomery, AL 36104

Mailing Address 7956 Vaughn Road, PMB 392
Montgomery, AL 36116

Type of License

Company	323
Individual	1358
Monitoring	<u>59</u>
Total Licensees	1,740 (As of May 30, 2005)

Examinations Applicants must have obtained a nationally recognized certification from the National Training School (NTS) of the National Burglar and Fire Alarm Association (NBFAA) or any other field specialty as determined by the board.

Renewals All licenses and permits expire on December 31 of each year. Licenses not renewed within thirty days of the expiration lapse, and the holders must reapply as new applicants.

Continuing Education Qualifying agents, installers/technicians must obtain 12 hours annually

Reciprocity The board is authorized to enter into a reciprocal agreement with any state or agency having the same or more stringent requirements than Alabama. Currently, the board has no reciprocal agreements.

Employees No direct employees. Administrative services provided under contract with Crawford & Crawford,

	Inc.
Legal Counsel	Matthew Beam Attorney General's Office
Subpoena Power	None
Internet Presence	http://www.aesbl.com/ The site includes: <ul style="list-style-type: none"> ◆ An introductory page with information on the board's purpose and duties. ◆ Board rules and regulations. ◆ Consumer information ◆ Complaint guidelines ◆ Contact information ◆ Listing of licensed companies
Attended Board Member Training	Executive Secretary
<u>Financial Information</u>	
Source of Funds	Licensing fees
State Treasury	Yes
Unused Funds	Retains unexpended funds.

SIGNIFICANT ITEMS

1. **Licensees alleged that the Electronic Security Board of Licensure did not mail renewal notices for the 2005 renewal period and as a result were required to pay a substantial fine for late renewal.**

Mailing of Renewal Notices

According to the minutes of an August 13, 2004 board meeting, the board voted to approve the 2005 application forms with changes. According to the board's executive secretary, application packets for the 2005 renewal period were mailed to licensees the second week in September 2004. . The renewal notices were mailed to the current address on file for the licensees. According to the board's staff, approximately 5 application packets were returned due to insufficient addresses. The licensees were contacted to verify their new addresses and were mailed a packet to the new address. The executive secretary stated that several licensees informed the board that they did not receive the application packet and were sent an additional packet. As of May 30, 2005 one thousand seven hundred forty (1,740) licensees had renewed their licenses for 2005. The 2005 application packet contains the following information:

- (1) Summary of Rule changes effective July 2, 2004
- (2) Electronic Security Licensing Law
- (3) A list of items to abide by as licensees of the board
- (4) Applications for licensure
- (5) Instructions for completing the applications
- (6) A notice to complete an Alabama Bureau of Investigation Criminal Release Form and two Federal Bureau of Investigation fingerprint cards
- (7) Instructions for completing the ABI and FBI forms
- (8) Summary of educational requirements and instructions for reporting the CEUs

Fining Activity

According to the board's ***Administrative Rule 304-X-1-.03***, companies that are currently in the burglar alarm business and do not obtain a license by April 30th are fined \$500. Companies that do not obtain a license by June 30th are fined \$1,000 per violation.

According to ***Administrative Rule 304-X-1-02***, which was effective July 2, 2004, all applicants are required to pay all applicable fees and all outstanding fines before their applications for licensure can be processed.

The board derives its fining authority from the ***Code of Alabama 1975***, Section 34-1A-7(f) which provides that, "*In addition to any other disciplinary action taken by the board, any person or business entity licensed by the board who violates*

this chapter or rule or regulation promulgated pursuant to this chapter shall be subject to a monetary penalty. If the board determines that the person is in fact guilty of the violation, the board shall determine the amount of the monetary penalty for the violation, which shall not exceed one thousand dollars (\$1,000) for each violation. The board may file a civil action to collect the penalty.”

According to the ***Code of Alabama 1975***, Section 34-1A-5 (2) (f), “*An affirmative vote of a majority of board members shall be required to suspend or revoke a license, to impose a sanction on a licensee, or to levy a monetary penalty*”.

The board voted to fine forty-four companies for late or non-renewal of licenses in 2003. Three companies were fined \$500 and forty-one companies were fined \$1,000. Fifteen companies paid the fines; twelve companies are no longer in business; and seventeen companies have not paid. The board voted to fine twenty-five companies for late or non-renewal of licenses in 2004. One company was fined \$500 and twenty-four companies were fined \$1,000. Six companies paid the fines; four companies are no longer in business; and fifteen companies have not paid.

As of May 13, 2005 (board’s last meeting prior to this report), the board had not yet voted to fine companies for 2005 late renewal. According to the board’s records, as of May 23, 2005 ninety-eight (98) companies had not renewed their permits for 2005 and could be fined \$500 because they did not obtain a license by April 30th. Forty-five of the ninety-eight companies were held in a pending file because they did not submit all of the required forms for renewal, such as criminal background information from ABI, insurance forms, or continuing education credits.

Following notice of a fine, a company must make a written and /or in person appeal of extenuating circumstances for non-licensure or late renewal to the board at the next board meeting. The board may reduce or cancel a fine following an appeal hearing. If a licensee does not appeal the fine to the board, the fine is due and payable.

Licenses and permits expire on December 31. Companies that do not renew their licenses by December 31st are considered new applicants if they subsequently apply for a license, and must pay all applicable fees.

2. **Licensees alleged that the Electronic Security Board charges non-members of the Alarm Association a higher amount to attend continuing education classes than they do members of the Association.** The Electronic Security Board does not conduct classes for licensees; however, the Alarm Association provides continuing education classes for licensees, and non-members are required to pay more than members of the association. The board does not exercise control over the amount charged to attend classes sponsored by the Alarm Association or other organizations.

The Electronic Security Board approves continuing education classes submitted by the Alarm Association, alarm manufacturers, and schools. The entities that request approval are required to submit outlines of the courses or a syllabus. The board approves all continuing education classes that are approved by the National Burglar and Fire Alarm Association. All training sessions conducted by representatives of manufacturers of electronic security equipment are approved by the board, provided that the manufacturer submits a brief summary of the training and verification of the representative trainer to the board. Licensees must contact the various sponsoring organizations to schedule their classes. Licensees can obtain information about the various classes offered by visiting the organizations' websites or by contacting the board's office.

3. **According to the questionnaires received from board members, the most significant issue currently facing the board is a lack of enforcement.** The board has no investigators or enforcement personnel. According to the board's staff, alarm security companies and individuals are continuing to operate without a license throughout the state and some are defrauding consumers. The board relies upon customers to file written complaints against unlicensed companies and to provide proof that the unlicensed company has performed alarm services. The board has considered developing public service announcements to increase public awareness by informing Alabama residents that alarm companies must have a license to operate in the Alabama. The board has also considered hiring investigators.

STATUS OF PRIOR FINDINGS

The board has the following unresolved finding from the prior examination:

The board's administrative rule 304-X-1-.02(2) (b) is in conflict with the law. The *Code of Alabama 1975*, Section 34-1A-5 (i) provides that, "A notice shall be displayed prominently in the place of business of each licensee regulated pursuant to this chapter containing the name, mailing address, and telephone number of the Board, and a statement informing consumers that complaints against licensees *may* be directed to the Board." The Board's administrative rule 304-X-1-.02(2) (b) provides that, "There shall be displayed prominently in the place of business of each permittee regulated to this chapter, a sign containing the name, mailing address, and telephone number of the Board of Licensure, and a statement informing consumers that complaints against permittees *shall* be directed to the Board of Licensure." The Board has not amended its administrative rule to remove the conflict.

BOARD RESPONSE TO SIGNIFICANT ITEMS & PRIOR FINDINGS

ALABAMA ELECTRONIC SECURITY
BOARD OF LICENSURE
7956 VAUGHN ROAD, PMB 392 MONTGOMERY, AL 36116
PHONE # (334) 264-9388 FAX # (334) 264-9332
E-MAIL: aesbl@aol.com—WEB-SITE: www.aesbl.com

July 11, 2005

Mr. John E. Norris Director,
Operational Division
Examiners of Public Accounts
P.O. Box 302251
Montgomery, AL 36130-2251

Dear Mr. Norris:

The Alabama Electronic Security Board of Licensure (AESBL) has received your letter of June 28, 2005 and the attached list of items that will appear in the report to the Sunset Committee.

In relation to Significant Item 1, as the finding specifies, 2004 licensees were mailed renewal packets for their 2005 license in September of 2004. For the companies that are more than four months delinquent in renewing the license that expired on December 31st, the Board is scheduled to vote on fines for 2005 at the August 12, 2005 meeting. All fines will be in accordance with Code of Alabama 1975, Section 34-1A and Administrative Rules 304-X-1.

As of this date, there have been no fines during 2005 and there will be no fines until the Board takes official action at the August meeting.

In relation to Significant Item 2, the information is correct that AESBL does not charge for continuing education classes. AESBL does review and approve continuing education courses submitted for their consideration, but has no control over the charges of the organization, school or company conducting the training courses.

Significant Item 3: The Board is concerned with enforcement of its Law and Rules. It is believed that an investigator can assist with compliance by unlicensed individuals and companies, and the Board will be requesting an increase in its appropriation for October 2006 to contract with an investigator or an investigative firm.

-BOARD MEMBERS-

STEPHEN W. HICKS-ELISABETH HYDE (CHAIR)~SHERIFF HERBIE JOHNSON--
TRENNON NALLS-THOMAS M. SNEAD-

STATUS OF PRIOR FINDINGS

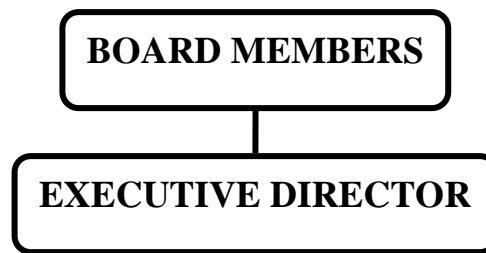
A proposed rule was filed with the Legislative Reference Service on June 16, 2005 to change “shall” to “may” in AESBL’s Administrative Rules.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred C. Crawford". The signature is fluid and cursive, with a large initial "F" and a long, sweeping underline.

Fred C. Crawford
Executive Director

ORGANIZATION



PERSONNEL

The board contracts with Crawford & Crawford, Inc., to provide an executive director and all administrative and clerical services for the board at an annual rate of \$186,000. Fred Crawford is executive director.

PERFORMANCE CHARACTERISTICS

Number of Licensees per Employee - 1,740

Total Expenditures per Licensee (2003-04 fiscal year) - \$106.04

Notification to Licensees of Board Decisions to Amend Administrative Rules – Licensees are notified of proposed amendments to administrative rules in accordance with the process provided in the state’s Administrative Procedure Act.

Number of Persons per Licensee in Alabama and Surrounding States

State	Population (estimate)	Number of Licensees	Persons per Licensee
<i>Alabama</i>	<i>4,530,182</i>	<i>1,740</i>	<i>2,604</i>
Florida	17,397,161	10,768	1,616
Georgia	8,829,383	4,748	1,860
Tennessee	5,900,962	1,825	3,233

The state of Mississippi does not regulate the alarm industry.

Complaint Resolution

The board's *Administrative Rule 304-X-1.06* provides the procedures for documentation, receipt, and investigation of complaints against licensees. Any person, including a board member or person employed by the board or its contractor, may file a complaint. Fifty-seven (57) complaints were on file for the period October 1, 2002 through December 31, 2004. The board responded to all complaints and resolved twenty-nine (29) of them. According to the complaint files reviewed, complaints were resolved within two to three weeks. Complaints primarily consist of customers seeking to terminate service contracts because they are not pleased with the service or because they did not understand the terms of the contract. The board has no statutory authority to take action on these complaints. Complaints are also received from customers who are dissatisfied with the installation, servicing or monitoring of their electronic security system. The board serves as a mediator between the customer and the contractor and according to the board; such complaints are generally resolved to the satisfaction of both parties.

Complaint Process

Initial Documentation

The board requires complainants to submit complaints in writing on a form created by the board. Complainants are notified that the board is in receipt of the complaint.

Anonymous Complaints

The board does not accept anonymous complaints.

Complaint Notification

Upon receipt of a complaint, the complaint is assigned a number by the staff. If the board receives more than one complaint concerning related allegations against the same licensee, the board may consolidate the complaints for purposes of assignment to the investigative committee. Each complaint is referred to the Investigative Committee to determine if probable cause exists to warrant disciplinary action against the licensee. A copy of the complaint is mailed to the licensee and the licensee has ten (10) business days to respond to the complaint.

Investigations

The complaint is assigned to the Investigative Committee that is comprised of one board member, the executive director or his designee, and the board's attorney to determine if the licensee has violated the laws and/or regulations of the board. If the licensee has violated the law, an administrative complaint is prepared by the attorney. If probable cause does not exist, the complaint file is closed.

Disposition of Complaint

The board notifies the complainant and the accused in writing if the complaint was either dismissed or if the complaint warrants a hearing.

FINANCIAL INFORMATION

The *Code of Alabama 1975*, Section 34-1A-3 (6) authorizes the board to set fees. The following fees have been set:

Schedule of Fees

<u>Fee Type</u>	<u>Amount</u>	
<u>Administrative Rule</u>		
Administrative Fee 1-.03(1) (First time applicant)	\$ 150.00	304-X-
Individual or Sole Proprietorship 1-.03(1)	\$ 150.00	304-X-
Company or Corporation 1-.03(1)	\$ 200.00	304-X-
Branch Location 1-.03(1)	\$ 200.00	304-X-
Qualifying Agent 1-.03(1)	\$ 75.00	304-X-
Registrant 1-.03(1)	\$ 25.00	304-X-
Lost/Replacement ID Card 1-.03(1)	\$ 12.50	304-X-
Central Station Fee 1-.03(1)	\$ 200.00 plus	304-X-
	\$ 12.50 per monitoring operator	
	\$ 12.50 per photo id (if requested)	

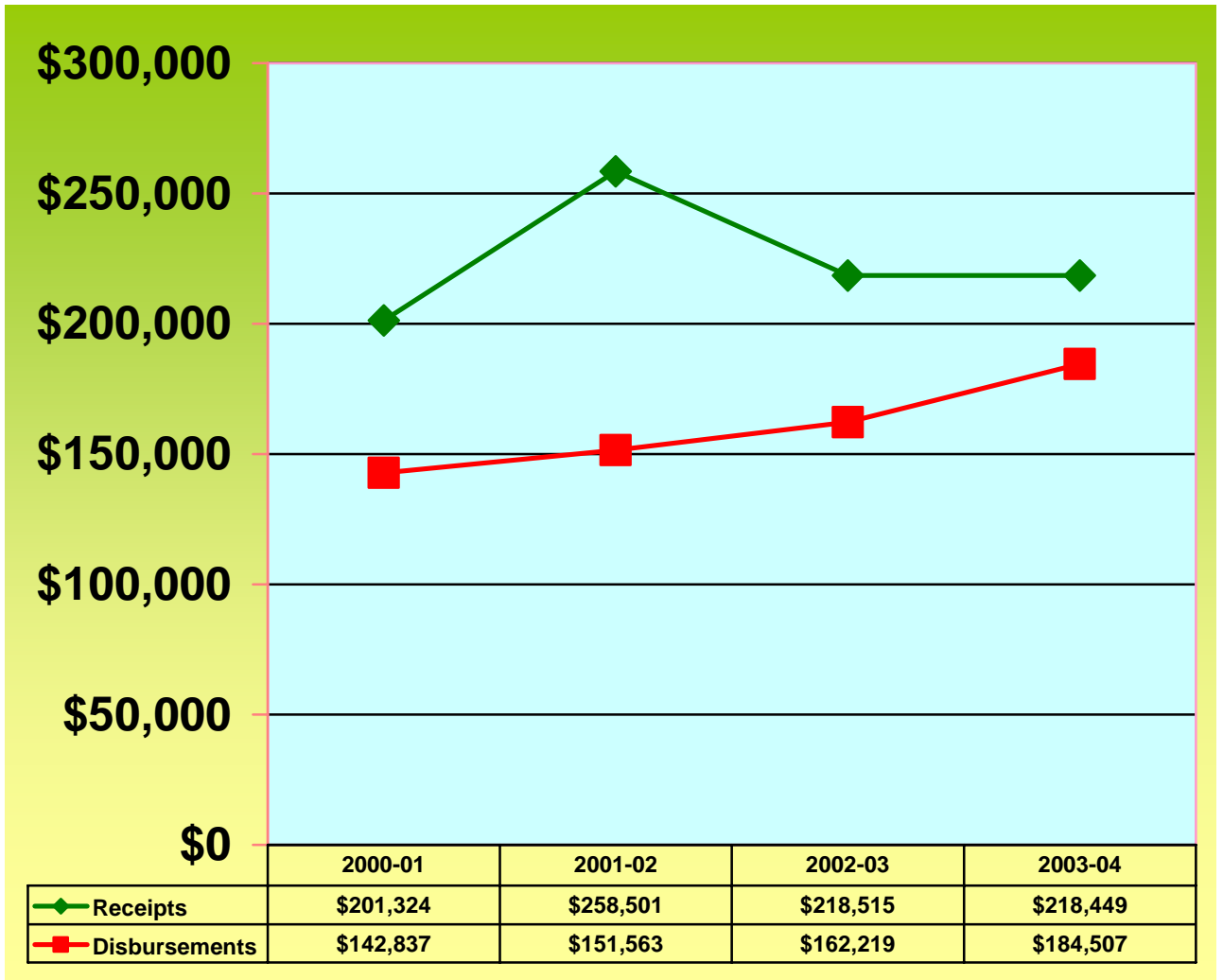
Late Penalty (December 31 st) 1-03 (3) (a)	\$ 150.00	304-X-
Late Penalty (after April 30 th) 1-.03(3) (b)	\$ 500.00	304-X-
Late Penalty (after June 30 th) 1-.03(3) (c)	\$1,000.00 per violation	304-X-
Criminal History Background Report	\$ 49.00 payable to ABI	

Schedule of Cash Receipts, Disbursements and Balances

For the Period October 1, 2000 through September 30, 2004

	<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>	<u>2000-01</u>
<u>Receipts</u>				
License Fees	<u>\$218,449.50</u>	<u>\$218,515.00</u>	<u>\$258,501.50</u>	<u>\$201,324.50</u>
<u>Disbursements</u>				
Travel In-State	1,858.67	2,133.71	2,345.47	1,549.39
Professional Services	182,626.52	167,085.37	149,218.17	141,287.61
Supplies and Maintenance	<u>22.46</u>			
Total Disbursements	<u>184,507.65</u>	<u>169,219.08</u>	<u>151,563.64</u>	<u>142,837.00</u>
Excess of Receipts Over Disbursements	33,941.85	49,295.92	106,937.86	58,487.50
Cash Balances at Beginning of Year	<u>462,237.55</u>	<u>412,941.63</u>	<u>306,003.77</u>	<u>247,516.27</u>
Cash Balances at End of Year	496,179.40	462,237.55	412,941.63	306,003.77
Reserved for Unpaid Obligations	<u>(3,900.00)</u>	<u>(10,100.46)</u>	<u>(5,200.08)</u>	<u>(8,333.36)</u>
Unreserved Cash Balances at End of Year	<u><u>\$492,279.40</u></u>	<u><u>\$452,137.09</u></u>	<u><u>\$407,741.55</u></u>	<u><u>\$297,670.41</u></u>

Receipts vs. Operating Disbursements (chart)



QUESTIONNAIRES

Board Member Questionnaire

Questionnaires were mailed to all five board members. Four responded.

Question #1

What is the most significant issue currently facing the Board and how is the board addressing these issues?

“Enforcement. We are in the process of producing Public Service Announcements. Public awareness is critical. Hiring an investigator may be beneficial and the board is reviewing this option also.”

“The most significant issue facing the board is and remains to be that of enforcement. Many companies are complying but there are those pockets of resistance which still exist. I am amazed that there are still a few operators who think that this licensing law should not apply to them. They are better than the majority of the industry.”

“Enforcement. We are planning to budget for investigators in the future.”

“The board needs more inspectors and an investigator. These issues are being discussed.”

Question #2

What changes to the Electronic Security Board laws are needed?

“Change statutes to include locksmiths.”

“The only change to the board’s law would be the addition of locksmiths. They would have to approach this from the legislature.”

“Inclusion of the locksmith industry on this board and authority over locksmiths.”

“Enforcement.”

Question #3

Is the Electronic Security Board adequately funded?

 3 Yes 1 No Unknown No Opinion

Question #4

Is the Electronic Board adequately staffed?

 2 Yes 2 No

“With the exception at renewal time, it is my opinion that the staffing of the AESBL is properly staffed.”

“We need more inspectors and investigators.”

Question #5

What is the purpose of your fiscal year end balance of unobligated funds?

“Reserve for operating when income may be less than outgo.”

“In this area of state budget cuts and shortfalls, it has been the opinion of this board member that this balance is necessary to ensure the continuation of this board. There should never be a point in time when funds from the General Fund would be needed.”

“As a reserve to prevent us from being a burden to the General Fund in lean years.”

“Here, again, is where funds could be allocated for more inspectors/investigators. The board feels the need to cut some fees. The board is also working on PSA’s to make the public more aware of the existence of the Electronic Security Board.”

Licensee Questionnaire

Questionnaires were mailed to one hundred licensees. Fifty-three responded.

Question #1

Do you think regulation of your profession by the Board is necessary to protect public welfare?

45 Yes 7 No 1 No Opinion

“Yes, but not to the extent that they feel it is needed.”

“Yes, but not with the staff they have now.”

“Yes, however the educational requirements are too tightly controlled by a small group of people which makes training and continuing education difficult and expensive to accomplish. More locations and certified classes should be accepted like in Florida.”

“Yes, the public interest is best served by fair and comprehensive regulation of our industry.”

“No, government regulation is costly! Law of supply and demand is sufficient.”

“Only through background checks and insurance. The training requirements are ridiculous and out of date and are cost prohibitive. They do not keep up with the industry.”

“Absolutely, too many *fly by night* operations and they have certainly stopped that.”

“It could be with stricter inspectors.”

“If done correctly. They are governing the professionals and not the ones that need to be governed.”

Question #2

Do you think any of the Board’s laws, rules, and policies are an unnecessary restriction on the practice of your profession?

25 Yes 23 No 2 Unknown 3 No Opinion

“We are a licensed contractor in Florida. Our state regulations exceed Alabama’s and this is unnecessary redundancy.”

“There is a lot of paperwork and fees required for yearly renewal. It seems like for a renewing company we could simplify some of this.”

“Why should security sellers and installers be held to higher accountability than general building contractors installing equipment.”

“FBI forms are a bit extensive. Louisiana laws only require the completion of one form.”

“To some degree, only that within the timeframe allowed. It doesn’t allow experience to be gained in an area and you are required to register and maintain certifications on an individual. This is costly for businesses especially when they come and go so frequently. It’s like we’re spinning our wheels while constantly spending money and the individuals change as new ones come aboard. Here we go again! It’s very costly.”

“The rules don’t apply to everybody. An electrician doesn’t have to have a license to do the same work that I do and he doesn’t have to have continuing education.”

“Testing procedures are too closely tied to Alarm Association as far as pricing and testing.”

Question #3

Do you think any of the Board’s requirements are irrelevant to the competent practice of your profession?

19 Yes 32 No 1 Unknown 1 No Opinion

“The requirements for monitoring personnel should be dropped. Pending federal legislation will seem to agree.”

“A better system for education. More locations and certified classes from vendors or teaching organizations should be accepted and not just from the Alabama Alarm Association. They need to accept NBFSA approved courses from other states.”

“There are more unethical companies now then when we regulated ourselves, but now it cost more.”

Question #4

Are you adequately informed by the Board of changes to and interpretations of board positions, policies, rules and laws?

36 Yes 13 No 3 Unknown 1 No Opinion

Question #5

Has the Board performed your licensing renewal in a timely manner?

43 Yes 9 No 1 No Opinion

“No. The licensing and renewal dates should be staggered throughout the year, rather than everyone renewing in the calendar year. Sometimes it is up to two months into the following year before we get our renewal. Some local licensing requirements such as the City of Huntsville will not license us until we are able to show a hard copy of our state license from AESBL. There is room for improvement in this area.”

“No, it takes several months.”

“They are very slow, but I think that renewal should be every two to three years.”

“According to National Training School, a class that I’m taking in Florida will qualify me for my 2006 renewal. The board did not have that information. If continuing education is going to be required it should be everyone’s duty to provide the education at the lowest possible cost to the license holder. Many of us cannot afford a \$2,000 expense (class, travel, hotel, loss wages) once a year.”

“They have waited too late in the year to have the CEU classes and it puts everyone sending their renewals in at the last minute which puts us getting our new licenses in February.”

“For the past three years it has been an effective practice.”

“License fees are too high. Licenses should be issued for at least three years. The licensing process is too time consuming and cumbersome to be done every year. I am strongly considering not renewing my license in Alabama. I can operate with an out of state license since there is no AESBL enforcement.”

“You get raped every time you renew your license. This whole organization is a joke.”

Question #6

Do you consider mandatory continuing education necessary for competent practice?

27 Yes 25 No 1 No Opinion

“What they offer is not education. It is a fundraising get together.”

“Most, if not all of us, get technical proficiency by experience. CE is just a stumbling block. We get better or go out of business.”

“Yes, for technical staff only.”

“But please allow us to teach our own classes and not have to pay the Alabama Alarm Association.”

“The current method is cumbersome, expensive and very difficult to accomplish.”

“Yes, but maybe not yearly. Maybe every two to five years.”

“Education is valuable but what we get at their CEU class is inadequate and a waste of time, resources and money.”

“Good firms will do this anyway. Unethical companies would naturally fail anyway.”

“Classes should be on alarm installations and practices, not solely on equipment.”

“The Board said we need CEUs, but they cater to the members of the Alarm Association. If we don’t belong to the Association, we have to pay more money to get CEUs. I work for myself and I waste time and money going to these things. It really costs somebody lots of money to go to Gulf Shores.”

“More training is needed in competent practice rather than manufacture product.”

Question #7

Has the Board approved sufficient providers of continuing education to ensure your reasonable access to necessary continuing education hours?

32 Yes 13 No 5 Unknown 3 No Opinion

“We did not receive any education schedule for 2004-05.”

“Yes, but needs to be earlier in the year.”

“We only receive CEUs for attending Association meetings. We should receive credit for education also.”

“Most of the continuing education subjects are directed toward name brand products rather than professional subjects.”

Question #8

What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Board doing to address the issue(s)?

“False alarms.”

“Unlicensed companies or persons still doing installations, even for licensed builders. I don’t think the board is educating builders.”

“Shoddy installations. Wire type used (often phone wire) and cheap products.”

“The Board is my significant issue.”

“Local regulations conflicting or making business difficult from city/county to city/county.”

“State to state contracting.”

“More rules and laws that is not necessary! Doing nothing!”

“Reciprocal licensing nationwide that consists of one rule, one test, one background check and one fingerprinting.”

“Fees, fines, and keeping the small dealers informed of changes and education dates. Management of the security board.”

“Making sure that all company employees that are installing systems are adequately trained and licensed. There are a lot of companies working under their general contractors license and not getting their employees licensed or trained.”

“Too many people crossing state lines. The board does not advertise at all and home owners do not know there is a board. Also board is too lax on actions and getting assistance for rural areas.”

“Less than ethical companies, scam artists – poorly trained sales people and technicians. By requiring ongoing training and licensing, the board helps keep this in check.”

“Non-licensed personnel installing alarms (electricians); reduction of false alarms (proper installation and end user training); and more board involvement.”

“Licensing school curricula has not been adequately expanded to offer advancing CCTV technology training to include digital video monitoring.”

Licensee Questionnaire

“Regulation allowed uncertified electrical companies into this industry. They do what they want and the customer loses.”

The Board is doing a good job of identifying unlicensed and unqualified dealers and installers. They are doing a good job of bringing them into compliance.”

“False alarms are the biggest issue in the security industry. Seminars have been offered on how to help control this problem. Making sure that people who work in our industry are properly trained is very important too.”

“Hard to find competent people who want to work and have a satisfactory background. That is a problem in every state.”

“No response policy by some Police Departments due to false alarms or fines; however officers are already on the clock.”

“The board should employ more inspectors.”

“False alarms and public awareness of AESBL requirements. They are falling behind due to lack of staff and funding.”

“The conflict between the General Contractors Board and security dealers. This is important!”

“The board is doing an excellent job, and I might add they are very young in our profession.”

“Non-professionals working out of their cars. These are the last people checked.”

“The board only enforces its regulations on its members. Unlicensed and out of state companies operate in Alabama with no regard for their regulations.”

“Requiring the license number to be posted on all advertising. The license number change every year posing additional expense by forcing businesses to discard all unused materials.”

Question #9

Do you think the Board and its staff are satisfactorily performing their duties?

 31 Yes 12 No 7 Unknown 3 No Opinion

“Seems too lax, more interested in taking in money than expanding knowledge, services or informing the public.”

“They don’t update their database in a timely manner. A working knowledge of security industry seems limited.”

“Not enough checks on unlicensed people.”

“Most of them would not know what an alarm system did.”

Question #10

Has any member of the Board or its staff asked for money (other than normal fees), services, or any other thing of value in return for performing a Board service for you?

52 No

1 No Opinion

“Not yet, but we don’t need any special favors like noncompliant companies do. Please understand government regulation is costly and loaded with unnecessary paperwork and restriction from people not involved with the day to day business of the industry. The end result is that the customer or consumer pays the cost (inflation).”

“Someone needs to look at who is doing the very expensive training classes and their relationship to the board. It is a monopoly.”

“I wish they could answer the phone when questions arise instead of faxing your question. Sometimes it would be nice to have quick questions answered right away.”

Complainant Questionnaire

Questionnaires were mailed to fifty complainants. Twenty-four responded.

Question #1

How was your complaint filed with the Board?

20 Mail Phone Fax 4 E-Mail

Question #2

Was receipt of your complaint promptly acknowledged?

20 Yes 1 No 3 Unknown

If yes, approximately how long after you filed your complaint were you contacted by the Board?

5 Immediately 6 Within 10 days 3 Within 20 days
4 Within 30 days 1 More than 30 days 4 Unknown

Question #3

Was the employee who responded to your complaint knowledgeable and courteous?

13 Knowledgeable 7 Courteous 4 Unknown

Question #4

Did the Board communicate the results of investigating your complaint to you?

18 Yes 4 No 2 Unknown

Question #5

Do you think the Board did everything it could to resolve your complaint?

14 Yes 5 No 5 Unknown

Question #6

Were you satisfied with your dealings with the Board?

 16 Yes

 6 No

 2 Unknown

APPENDICES

Statutory Authority

CHAPTER 1A. ALARM SYSTEM INSTALLERS.

§ 34-1A-1. Definitions. [AL ST SEC 34-1A-1]

For the purpose of regulating alarm system installers, the following terms shall have the following meanings unless the context clearly indicates otherwise:

(1) Alarm system. Burglar alarms, television cameras, or other electrical or electronic device used to prevent or detect burglary, theft, shoplifting, pilferage, and other similar losses. The term does not include any fire detection, fire alarm, or fire communication system.

(2) Alarm system installer. A person or business entity that offers to undertake, represents itself as being able to undertake, or does undertake the installation, service, or monitoring, of alarm systems for the public for any type of compensation.

(3) Burglar alarm. An assembly of equipment and devices, or a single device such as a solid-state unit which plugs directly into an AC line, designed to detect an unauthorized intrusion or an attempted robbery at a protected premises or signal public police or private guards to respond, or both.

(4) Installation. The initial placement of equipment or the extension, modification, or alteration of equipment after initial placement.

(5) Service. Necessary repair in order to return the system to operational condition.

(Acts 1997, No. 97-711, p. 1465, § 1; Act 2004-103, § 3.)

§ 34-1A-2. Alabama Electronic Security Board of Licensure -- Created; members; terms; composition; meetings.

(a) The Alabama Electronic Security Board of Licensure is created.

(b) The board, which shall reflect the racial, gender, geographic, urban and rural, and economic diversity of the state, shall consist of the following members to be appointed by the Governor:

(1) One member representing the alarm system industry selected from three nominees submitted by the Alabama Alarm Association.

(2) One member of the Alabama Consulting Engineers Association selected from three nominees submitted by that association.

(3) One member of the Alabama Sheriff's Association selected from three nominees submitted by that association.

(4) One member who is an alarm system manufacturer selected from three nominees submitted by the Alabama Alarm Association.

- (5) A person who is a representative of the consumers of the state.
 - (c)(1) The terms of the board members shall be four years.
 - (2) Of these members first appointed, two shall be appointed to four-year terms, two for three-year terms, and one for a two-year term.
 - (3) Any vacancy occurring other than by expiration of terms shall be filled for the remainder of the unexpired term by appointment by the Governor, subject to the nominating process specified in subsection (b).
 - (4) No member shall serve more than two successive four-year terms.
 - (5) A member shall serve until a successor is appointed and assumes office.
 - (d) Members shall be paid out of the funds of the board the same per diem as prescribed by law for state employees for each day of attendance of board business.
 - (e) Meetings shall be held at least four times per year. Special meetings shall be held at the call of the chair or by a majority of the members.
 - (f)(1) The board may adopt rules of proceedings.
 - (2) A majority of the board constitutes a quorum.
 - (3) The board shall elect a chair on an annual basis.
- (Acts 1997, No. 97-711, p. 1465, § 2.)

§ 34-1A-3. Powers of board.

The board shall have all of the following powers:

- (1) License and regulate persons and business entities engaged in business as an alarm system installer.
- (2) Establish the qualifications for licensure to ensure competency and integrity to engage in these businesses.
- (3) Examine, or cause to be examined, the qualifications of each applicant for licensure including the preparation, administration, and grading of examinations, and when necessary, requiring the applicant to supply a board approved background investigation.
- (4) License qualified applicants regulated by the board.
- (5) Revoke, suspend, or fail to renew a license for just cause as enumerated in the regulations of the board.
- (6) Levy and collect reasonable fees for licensure, including, but not limited to, the application process and testing of applicants, and renewal, suspension, and reissuance of licenses, and costs of necessary hearings, that are sufficient to cover all expenses for the administration and operation of the board.
- (7) Promulgate rules and regulations in accordance with the Administrative Procedure Act necessary to perform its duties, to ensure continued competency, to prevent deceptive, misleading, or criminal practices by its licensees, and to effectively administer the regulatory system administered by the board.
- (8) Register or by other means monitor employees of a licensee to ensure such employees do not impair the ability of the licensee to satisfy the requirements of this chapter.
- (9) Receive and investigate complaints concerning the conduct of any person or business entity whose activities are regulated by the board, conduct hearings in accordance with procedures established by the board pursuant to the Alabama

Administrative Procedure Act, and take appropriate disciplinary action if warranted.

(10) Ensure that periodic inspections are conducted relating to the operations of licensees to ensure competency and lawful compliance.

(11) Require the purchase of comprehensive liability insurance related to business activities in a minimum specified amount.

(12) Require licensees and employees of licensees have available a photo identification card at all times when providing licensed services.

(13) Promulgate canons of ethics under which the regulated professional activities of persons and business entities shall be conducted.

(14) Employ or contract for necessary personnel, including a director, and provide necessary offices, supplies, and equipment to fulfill the requirements of this chapter.

(15) Delegate its powers and duties by resolution to a named designee.

(16) Enter into contracts and expend funds of the board to fulfill the requirements of this chapter.

(17) Borrow money for the initial start-up operation of the board until sufficient receipts are paid into the special revenue trust fund specified in Section 34-1A-9.

(Acts 1997, No. 97-711, p. 1465, § 3; Act 2004-103, § 3.)

§ 34-1A-4. Duties of board.

(a) The board shall promulgate regulations and standards for the training and licensing of alarm system installers. The board shall examine and license and may establish classifications of training and licensing for this business.

(b) The board shall, after a public hearing and consultation with persons who are knowledgeable regarding the business and pursuant to the Alabama Administrative Procedure Act, establish by board rules or regulations competency standards and any changes of the standards.

(c) The board may evaluate the competency of applicants for licenses. The board may either develop and administer an examination to evaluate competency, or rely on an examination developed and administered by a national or regional professional association.

(Acts 1997, No. 97-711, p. 1465, § 4.)

§ 34-1A-5. Licenses -- Issued; fees; granting of license; suspending or revoking license; nonresident license; display of license; written service contracts; confidential information.

(a) The board shall issue licenses authorized by this chapter to all qualified individuals in accordance with rules or regulations established by the board.

(b) The annual license fee as set by the board shall not exceed one hundred fifty dollars (\$150) for an individual and seven hundred fifty dollars (\$750) for a business entity.

(c) The license shall not be transferred or assigned and is valid only with respect to the person to whom it is issued.

(d)(1) No license shall be granted if the applicant has had any prior business license revoked for fraud, misrepresentation, or any other act that would constitute a violation

of this chapter.

(2)a. An applicant shall not be refused a license solely because of a prior criminal conviction, unless the criminal conviction directly relates to the occupation or profession for which the license is sought. The board may refuse a license if, based on all the information available, including the applicant's record of prior convictions, the board finds that the applicant is unfit or unsuited to engage in the business.

b. The board may consult with appropriate state or federal law enforcement authorities to verify whether an applicant has a criminal record prior to granting any license and, as an aid to this duty, each applicant may be required to provide his or her fingerprints and complete an affidavit of his or her criminal record, if any, as a part of the application. The board may periodically consult with state and federal law enforcement officials to determine whether current licensees have new criminal convictions.

(e) Any license granted pursuant to this chapter shall expire December 31 of each year unless it is renewed pursuant to regulations established by the board or unless it is suspended or revoked.

(f) An affirmative vote of a majority of board members shall be required before any action to suspend or revoke a license, to impose a sanction on a licensee, or to levy a monetary penalty. A board member shall disqualify himself or herself and withdraw from any case in which he or she cannot accord fair and impartial consideration.

(g) A nonresident of this state may be licensed by meeting one of the following requirements:

(1) Conforming to the provisions of this chapter and the regulations of the board.

(2) Holding a valid license in another state with which reciprocity has been established by the board.

(h) A licensee shall display the license at its normal place of business and in a manner easily readable by the general public.

(i) A notice shall be displayed prominently in the place of business of each licensee regulated pursuant to this chapter containing the name, mailing address, and telephone number of the board, and a statement informing consumers that complaints against licensees may be directed to the board.

(j) The license number of a licensee shall be displayed in all advertising.

(k) The board shall prepare information of consumer interest describing the regulatory functions and describing the procedures of the board by which consumer complaints shall be filed with and resolved by the board. The board shall make the information available to the general public and appropriate state agencies. The board shall provide upon request a listing of all licensees. The board may collect a fee for the cost of duplicating and mailing materials.

(l) Each written contract for services in the state of a licensee shall contain the name, mailing address, and telephone number of the board and a statement informing consumers that complaints against licensees may be directed to the board.

(m) Notice of the issuance, revocation, reinstatement, or expiration of every license issued by the board shall be furnished to the sheriff of the county and the chief of police, as appropriate, and the inspection department of the city where the principal place of business of a licensee is located.

(n) Information contained in alarm system records held by the board concerning the

location of an alarm system, the name of the occupant residing at the alarm system location, or the type of alarm system used shall be confidential and disclosed only to the board or as otherwise required by law.

(Acts 1997, No. 97-711, p. 1465, § 5; Act 98-279, p. 457, p. 1465, § 1.)

§ 34-1A-6. License -- Exceptions.

The licensing and regulatory provision of this chapter shall not apply to any of the following persons, entities, or activities:

(1) A person or business entity which only sells alarm systems at the premises of a customer, but does not enter the premises of the customer or install, service, monitor, or respond to the alarm system at the premises of the customer.

(2) The installation, servicing, monitoring, or responding to an alarm device which is installed in a motor vehicle, aircraft, or boat.

(3) The installation of an alarm system on property owned by or leased to the installer.

(4) A locksmith who does not install, service or monitor alarm systems.

(5) A person or business entity who owns, installs, or monitors alarm systems, on his or her own property or, if he or she does not charge for the system or its installation, installs it for the protection of his or her personal property located on the property of another, and does not install or monitor the system as a normal business practice on the property of another.

(6) A person or business entity whose sale of an alarm system is exclusively over-the-counter or by mail order.

(7) A person or business entity in the business of building construction that installs electrical wiring and devices that may include in part the installation of an alarm system if both of the following apply:

a. The person or business entity is a party to a contract that provides that the installation shall be performed under the direct supervision of, inspected, and certified by a person or business entity licensed to install an alarm system and that the licensee assumes full responsibility for the installation and service of the alarm system.

b. The person or business entity does not service, monitor, or maintain the alarm system.

(8) The response to an alarm system by a law enforcement agency or by a law enforcement officer acting in an official capacity.

(9) A business that engages in the installation or operation of telecommunications facilities or equipment which are used for the transport of any signal, data, or information outside the continuous premises on which any alarm system is installed or maintained.

(10) Any business entity, business owner, or person, or the agent or employee of such business entity, business owner, or person engaging in the routine visual inspection or manufacturer's or installer's recommended testing of an alarm system subject to this chapter owned by the business entity, business owner, or person and installed on property under the control of the business entity, business owner, or person.

(11) Any business entity, or person, or those engaged in property management, or agent or subcontractors or employees thereof, who, in the normal course of business, engage in the routine inspection, service, or replacement of such alarm systems, fire alarm or fire/smoke detection systems, fire communication systems, or security devices subject to this chapter, on or in property owned or under the control of such business entity, or person, or property manager.

(12) Consulting engineers who design, develop, modify, or offer other services within the scope of their profession regarding alarm systems.

(13) A licensed general contractor and the employees of the contractor whose activities are limited to the projects of the licensed general contractor.

(14) An electrician who is licensed by the state as an electrical contractor or an electrician who is licensed by the city or county as a master electrician.

(15) A licensed homebuilder and the employees of the homebuilder whose activities are limited to the projects of the licensed homebuilder.

(Acts 1997, No. 97-711, p. 1465, § 6; Act 2000-143, p. 203, § 3; Act 2004-103, § 3.)

§ 34-1A-7. Licenses -- Required.

(a) Effective January 1, 1998, it shall be unlawful for any person or business entity to engage in a business regulated by this chapter in this state without a current valid license or in violation of this chapter and applicable rules and regulations of the board.

(b) Effective January 1, 1998, it shall be unlawful for a person or business entity not licensed under this chapter to advertise or hold out to the public that he or she is a licensee of the board.

(c) Any person or business entity who violates this chapter or any order, rule, or regulation of the board shall be guilty of a Class A misdemeanor.

(d) Effective January 1, 1998, it shall also constitute a Class A misdemeanor to willfully or intentionally do any of the following:

(1) Obliterate the serial number on an alarm system for the purpose of falsifying service reports.

(2) Knowingly and deliberately improperly install an alarm system, or knowingly and deliberately improperly service such a system.

(3) While holding a license, allow another person or business entity to use the license or license number.

(4) Use, or permit the use of, any license by a person or business entity other than the one to whom the license is issued.

(5) Use any credential, method, means, or practice to impersonate a representative of the board.

(6) Make use of any designation provided by statute or regulation to denote a standard of professional or occupational competence without being duly licensed.

(7) Make use of any title, words, letters, or abbreviations which may reasonably be confused with a designation provided by statute or regulation to denote a standard of professional or occupational competence without being duly licensed.

(8) Provide material misrepresenting facts in an application for licensure or in other communications with the board.

(9) Refuse to furnish the board information or records required or requested

pursuant to statute or regulation.

(e) The board may institute proceedings in equity to enjoin any person or business entity from engaging in any unlawful act enumerated in this chapter. Such proceedings shall be brought in the name of this state by the board in the circuit court of the city or county in which the unlawful act occurred or in which the defendant resides.

(f) In addition to any other disciplinary action taken by the board, any person or business entity licensed by the board who violates this chapter or rule or regulation promulgated pursuant to this chapter shall be subject to a monetary penalty. If the board determines that the person is in fact guilty of the violation, the board shall determine the amount of the monetary penalty for the violation, which shall not exceed one thousand dollars (\$1,000) for each violation. The board may file a civil action to collect the penalty.

(g) The board is entitled to costs and reasonable attorney fees in any civil action or administrative proceeding in which the board obtains relief.

(Acts 1997, No. 97-711, p. 1465, § 7; Act 2004-103, § 3.)

§ 34-1A-8. General applicability. [AL ST SEC 34-1A-8]

(a) This chapter and the rules and regulations promulgated pursuant to this chapter shall have uniform force and effect throughout the state. A municipality or county shall not enact an order, ordinance, rule, or regulation requiring a person or business entity to obtain a certification from the municipality or county, other than proof of a valid license issued by the board.

(b) This chapter shall not affect any general statute or municipal ordinance requiring a business license for an alarm system installer.

(c) Nothing in this chapter limits the power of a municipality, a county, or the state to require the submission and approval of plans and specifications or to regulate the quality and character of work performed by contractors through a system of licenses, fees, and inspections otherwise authorized by law for the protection of the public health and safety. (Acts 1997, No. 97-711, p. 1465, § 8.)

§ 34-1A-9. Alabama Electronic Security Board of Licensure Fund established.

A separate special revenue trust fund in the State Treasury to be known as the Alabama Electronic Security Board of Licensure Fund is established. All receipts collected by the board under this chapter are to be deposited into this fund and shall be used only to carry out the provisions of this chapter. The receipts shall be disbursed only by warrant of the State Comptroller upon the State Treasury, upon itemized vouchers approved by the chair of the board. No funds shall be withdrawn or expended except as budgeted and allotted according to Sections 41-4-80 to 41-4-96, inclusive, and 41-19-1 to 41-19-12, inclusive, and only in amounts as stipulated in the general appropriations bill or other appropriations bills.

(Acts 1997, No. 97-711, p. 1465, § 9.)

§ 34-1A-10. Applicability in certain counties.

This chapter shall not apply in counties having populations of less than 30,000 inhabitants according to the most recent decennial census, unless the county commission of such a county, by the adoption of a resolution, irrevocably elects to be covered by this chapter.

(Acts 1997, No. 97-711, p. 1465, § 11.)

§ 34-1A-11. Sunset provision.

The Alabama Electronic Security Board of Licensure is subject to the provisions of the Alabama Sunset Law of 1981, and is classified as an enumerated agency pursuant to Section 41-20-3. The board shall automatically terminate on October 1, 2000, and every four years thereafter, unless a bill is passed that the board be continued, modified, or reestablished.

(Acts 1997, No. 97-711, p. 1465, § 12.)

Board Members

**ALABAMA ELECTRONIC SECURITY
BOARD OF LICENSURE**
7956 VAUGHN ROAD, PMB 392
MONTGOMERY, AL 36116
PHONE # (334) 264-9388~~~FAX # (334) 264-9332
E-MAIL: aesbl@aol.com~~WEB-SITE: www.aesbl.com

May 10, 2005

Ms. Maria L. Catledge
Examiner of Public Accounts
Montgomery, AL

Dear Ms. Catledge:

The following is a listing of current Alabama Electronic Security Board of Licensure (AESBL) Board Members and pertinent information requested:

Ms. Elisabeth Hyde, Chair & Board Member
158 Business Center Drive
Birmingham, AL 35244-2018
Expiration: 10-1-05
Representative for Consulting Engineers Association

Mr. Stephen W. Hicks, Board Member
222 Black River Lane
Adger, AL 35006
Expiration: 10-1-05
Representative for Alarm System Industry

Sheriff Herbie Johnson, Board Member
162 W. 4th Street
Prattville, AL 36067
Expiration: 10-1-07
Representative for Alabama Sheriff's Association

Mr. Trennon Nalls, Board Member
421 Fifth Way, N.W.
Fayette, AL 35555
Expiration: 10-1-05
Representative for Consumers

~BOARD MEMBERS~
~STEPHEN W. HICKS~ELISABETH HYDE (CHAIR)~SHERIFF HERBIE JOHNSON~
~TRENNON NALLS~THOMAS M. SNEAD~

Mr. Thomas Snead, Board Member
234 Conrey Drive
Auburn, AL 36830
Expiration: 10-1-04
Representative for Alarm System Manufacturers

Mr. Fred Crawford, Executive Director
1015 County Road 476
Clanton, AL 35046

A handwritten signature in black ink, appearing to read "Fred C. Crawford". The signature is fluid and cursive, with a large, stylized "F" and "C".

Fred C. Crawford
Executive Director